

☐ **EXPEDITE**  
(if filing within 5 court days of hearing)  
☐ Hearing is set:  
Date: \_\_\_\_\_  
Time: \_\_\_\_\_  
Judge/Calendar: \_\_\_\_\_

**FILED**

OCT 31 2017

Superior Court  
Linda Myhre Enlow  
Thurston County Clerk

**IN THE SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR THURSTON COUNTY**

STATE OF WASHINGTON *ex rel.*  
WALTER SMITH,

Plaintiff,

vs.

MATTHEW SHEA and COMMITTEE  
TO ELECT MATT SHEA, a registered  
candidate authorized committee,

Defendant.

No. 17-2-05729-34

COMPLAINT FOR CIVIL PENALTIES  
AND INJUNCTIVE RELIEF

**I. NATURE OF THE ACTION**

Relator Walter Smith, a private citizen acting on behalf of the State of Washington (Plaintiff) as provided by law, brings this action to enforce Washington's campaign finance disclosure law, RCW 42.17A. The Plaintiff alleges that Defendants, MATTHEW SHEA (Shea) and COMMITTEE TO ELECT MATT SHEA (the Committee), a registered candidate authorized committee, violated provisions of RCW 42.17A by: 1) failing to timely report contributions they received, and 2) failing to timely report expenditures they made including debts and obligations, to the Public Disclosure Commission. The Plaintiff seeks relief under RCW 42.17A.750 and .765, including penalties, costs and fees, and injunctive relief.

**COPY**

## II. PARTIES

2.1 Walter Smith (Relator) is a resident of the City of Olympia, and is an attorney licensed to practice law in the State of Washington. On September 1, 2017, he provided a citizen action notice to the Attorney General of Washington and County Prosecuting Attorneys in Thurston and Spokane Counties showing that the Defendants committed the violations of Washington campaign finance laws complained of in this action, and inviting them to commence an enforcement action. Mr. Smith also sent a ten-day notice of intent to sue to the same authorities on October 17, 2017. To date, they have declined to commence an enforcement action. As a result, Mr. Smith now brings this action as a relator acting on behalf of the State to remedy Defendants' violations of the campaign finance laws, as provided by RCW 42.17A.765(4).

2.2 Matthew Shea is a politician who resides in Spokane Valley, and currently represents the Fourth Legislative District in the state House of Representatives. Shea has been a candidate in several elections to the state House dating back to 2008. In the 2016 election year, information reported to the Public Disclosure Commission reflects that Shea raised \$119,781.07 in contributions, and spent \$119,400.61 in expenditures. As a candidate for office, Shea is required to abide by the reporting rules of Chapter 42.17A RCW and the implementing regulations promulgated by the Public Disclosure Commission in Title 390 WAC.

2.3 The Committee to Elect Matt Shea is a registered Washington political committee which served as Defendant Shea's candidate authorized committee during his campaign for election to the House of Representatives for the Fourth Legislative District in 2016. The Committee is required to abide by the reporting rules of Chapter 42.17A RCW and the

1 implementing regulations promulgated by the Public Disclosure Commission in Title 390  
2 WAC.

### 3 **III. JURISDICTION AND VENUE**

4  
5 3.1 This Court has subject matter jurisdiction over the present case in accordance  
6 with RCW 42.17A. Plaintiff has authority to bring this action pursuant to RCW 42.17A.765.

7 3.2 This Court has personal jurisdiction over Defendants, a candidate for state elected  
8 office and a registered Washington political committee. Additionally, the acts alleged below  
9 occurred in whole or in part in Thurston County, Washington in that untimely and incomplete  
10 reporting was filed with the Public Disclosure Commission in the City of Olympia.

11  
12 3.3 Venue is proper in this Court pursuant to RCW 4.12.020(1).

### 13 **IV. FACTUAL ALLEGATIONS**

14 4.1 Shea is and has been a candidate for election to state office in the 2016 election  
15 cycle and other years, and Shea has operated a candidate authorized committee (as that term is  
16 defined in Chapter 42.17A RCW), the Committee to Elect Matt Shea, at all times material to  
17 this Complaint. The Defendants routinely raise and spend funds in support of Shea's candidacy  
18 for elected office. Since 2015, the Defendants received contributions and made expenditures,  
19 all of which were required to be reported in accordance with Washington's campaign finance  
20 laws. Between 2015 and 2017, Defendants raised over one hundred thousand dollars in  
21 contributions and spent over one hundred thousand dollars in expenditures.

22  
23 4.2 The Public Disclosure Commission is the statewide Washington agency  
24 responsible under state law for regulating campaign finance activities and presenting data to the  
25 public concerning the contributions and expenditures of political committees, candidates,  
26 lobbyists, and other reporting entities. The PDC collects data on the amounts and details of all  
27  
28

1 reporting entities' contributions and expenditures from entities responsible for reporting, and  
2 most of the data is made freely available on the internet at <http://www.pdc.wa.gov>.

3 4.3 Data reported to the PDC is only accurate to the extent that reporting entities take  
4 care to timely and properly report their activities as required by law. The public, including  
5 voters, participants in political campaigns, academics, and policymakers, relies upon data  
6 reported to the PDC to make informed decisions about political issues. The activities of the  
7 Public Disclosure Commission, including its receipt and compilation of reports required by law,  
8 are principally conducted in the City of Olympia in Thurston County.  
9

10  
11 *Relator Gave Notice of Defendants' Campaign Finance Violations, and the Authorities Did Not  
Timely File an Enforcement Action*

12 4.4 On September 1, 2017, Relator notified the Attorney General of Washington and  
13 County Prosecuting Attorneys for Spokane and Thurston County (the authorities) in writing  
14 that various violations of Washington's campaign finance law had been committed by the  
15 Defendants. The notice indicated that if the authorities would not file an action to enforce the  
16 law, the Relator would proceed with an action in the name of the State as provided by RCW  
17 42.7A.765(4). The substance of the allegations listed in the notice is reflected below in this  
18 Complaint.  
19  
20

21 4.5 Having no indication that the authorities timely initiated an enforcement action,  
22 the Relator provided them written notice again on October 17, 2017 that if an action was not  
23 filed within ten days, the Relator would proceed with an action in the name of the State.  
24

25 4.6 On October 27, 2017, the Relator asked an employee of the Attorney General's  
26 Office by e-mail whether her office intended to file a complaint against the Defendants based  
27 on the identified violations in the citizen action notice. The employee responded in writing the  
28 same day, and did not indicate that her office had filed or intended to file an enforcement action

1 against the Defendants. As of the time this Complaint was filed, Relator has no indication that  
2 the authorities have filed an action against Defendants or intend to do so.

3 4.7 The Defendants received notice of the allegations contained in the Relator's  
4 citizen action notice in or around September 2017, and wrote a letter to the Public Disclosure  
5 Commission acknowledging the allegations. As of the date of this Complaint's filing, however,  
6 the Defendants have apparently filed no amended or additional reporting to address the orders,  
7 debts, and obligation reporting allegations in the citizen action notice.  
8

9 *How the Defendants Filed Untimely Reporting, and Have Failed to Date to File Certain Reports*  
10 *of Activity Including Debts, Orders, and Obligations, in Violation of Washington's Campaign*  
11 *Finance Laws*

12 4.8 The contributions Defendants received and the expenditures Defendants made  
13 between 2015 and the present were required to be reported to the Public Disclosure Commission  
14 using forms created for the specific purpose of reporting these transactions.

15 4.9 For example, the PDC has developed form "C-3," which is used for reporting  
16 contributions received and dates of deposit. Another form, "C-4," is used for reporting  
17 expenditures. Additional schedules are also provided by the PDC for reporting in-kind  
18 contributions, orders, debts, and obligations (Schedule B). The forms and schedules provided  
19 by the PDC are defined by duly adopted agency regulations which have the force of law, and  
20 must be used to properly report the corresponding campaign finance activity.  
21

22 4.10 PDC forms must be filed by specific deadlines throughout a political campaign  
23 season, as required by statute and regulation. In the case of a race for the state House such as  
24 Defendants', form C-4 and any applicable schedules were due generally no later than the tenth  
25 of the month between 2015 and the present, or on the soonest business day thereafter, to report  
26 all activity since the last filing.  
27  
28

4.11 Defendants' form C-3 filings were generally due no later than when the forms C-4 were due. Contributions received by the Defendants were always subject to a deadline of five business days to deposit them into Defendants' campaign account.

4.12 As explained in the notice Relator provided to the authorities on September 1, 2017, the Defendants filed numerous untimely reports of contributions deposited (on form C-3) between 2015 and the present. The untimely contribution reports include the following (due dates and days late are approximations):

<u>Report Number</u>	<u>Date form C-3 filed</u>	<u>Date C-3 Due</u>	<u>C-3 Days Late</u>	<u>\$ Value Late</u>
100669577	12/4/2015	11/10/2015	24	75
100669700	12/6/2015	11/10/2015	26	1,000
100669701	12/6/2015	11/10/2015	26	5,600
100669698	12/6/2015	11/10/2015	26	1,200
100669702	12/6/2015	11/10/2015	26	300
100668228	12/6/2015	11/10/2015	26	500
100677890	2/10/2016	1/10/2016	31	125.00
100677888	2/10/2016	1/10/2016	31	5,300.00
100677889	2/10/2016	1/10/2016	31	950.00
100677891	2/10/2016	1/10/2016	31	50.00
100721037	9/13/2016	8/8/2016	36	50.00
100720996	9/13/2016	8/1/2016	43	4,000.00
100721046	9/13/2016	8/22/2016	22	375.00
100720994	9/13/2016	8/15/2016	29	1,700.00
100720993	9/13/2016	8/22/2016	22	966.00
100720995	9/13/2016	8/8/2016	36	8,475.00
100722093	9/20/2016	8/8/2016	43	100.00
100727405	10/17/2016	9/19/2016	28	600.00
100727410	10/17/2016	10/3/2016	14	100.00
100727377	10/17/2016	9/5/2016	42	100.00
100727375	10/17/2016	9/5/2016	42	75.00
100727368	10/17/2016	9/5/2016	42	275.00
100727365	10/17/2016	9/5/2016	42	25.00
100727430	10/18/2016	10/17/2016	1	1,250.00
100738184	12/12/2016	11/14/2016	28	100.00
100677897	2/10/2016	1/10/2016	31	2,307.45

The total days late for the 26 contributions reports summarized in this table is 779 days late, and the total dollar value of contributions reported late as summarized above is \$35,598.45.

4.13 As explained in the notice Relator provided to the authorities on September 1, 2017, the Defendants filed untimely reports of expenditures made (on form C-4) between 2015 and the present. The untimely expenditure reports include the following (due dates and days late are approximations):

<u>Report Number</u>	<u>Date form C- 4 filed</u>	<u>Date C-4 Due</u>	<u>C-4 Days Late</u>	<u>\$ Value Late</u>
100668228	12/6/2015	11/10/2015	26	500
100700672	6/10/2016	5/10/2016	31	394.26

4.13 As explained in the notice Relator provided to the authorities on or around September 1, 2017, the Defendants did not file any reporting of orders placed, debts incurred, or obligations on Schedule B to form C-4 since 2015, up to the time of the citizen action notice. The Defendants did, however, incur reportable debts, orders, and obligations, and owed various reports of this activity which it failed to file as required by law. The total amount of violations for failure to disclose debts, orders, and obligations will be proven at trial. By way of example, Defendants violated the law by failing to disclose at least the following activity as orders placed, debts, and obligations on Schedule B:

a. *(Order, debt, or obligation not disclosed on Schedule B).* Defendants reported paying expenditures of \$1,050 to Redoubt Broadcasting for “Jan, Feb, Mar Invoice” (dated 3/23/16); \$1,000 to CAN for “February Invoice” (dated 3/23/16); and \$1,000 to CAN for “November Invoice” (dated 3/1/16). The debts would be reportable on Schedule B between November 2015 and when they were apparently retired in March 2016, but were not reported on Schedule B as orders placed, debts, or obligations as required by law.

4.14 Defendant’s actions have deprived the public of information about Defendant’s activity which Defendant was required to timely report under Washington’s campaign finance

1 laws, including thousands of dollars' worth of contribution and expenditure reporting. Various  
2 reports of debts, orders, and obligations remain outstanding to date.

3 4.15 Additionally, Defendants have failed to take appropriate steps to correct their  
4 reporting deficiencies since receiving notice of the violations complained of in this action in or  
5 around September 2017. For example, Defendants have failed to amend their past reporting to  
6 correct identified violations listed in the citizen action notice, including the failure to file various  
7 disclosures required by law.  
8

## 9 **V. CLAIMS**

10 Plaintiff re-alleges and incorporates by reference all the allegations contained in the  
11 preceding paragraphs, and based on those allegations, makes the following claims:  
12

13 5.1 Claim One: Defendant, in violation of RCW 42.17A.235 and RCW 42.17A.240,  
14 failed to timely disclose to the Public Disclosure Commission certain contributions which it  
15 received between 2015 and 2017.  
16

17 5.2 Claim Two: Defendant, in violation of RCW 42.17A.235 and RCW 42.17A.240,  
18 failed to timely disclose to the Public Disclosure Commission expenditures, including orders  
19 placed, debts, and obligations, which it incurred between 2015 and 2017.  
20

## 21 **VI. REQUEST FOR RELIEF**

22 Based on the above allegations, Plaintiff requests the following relief as provided by law:

23 6.1 Such remedies as the Court may deem appropriate under RCW 42.17A.750,  
24 including but not limited to imposition of a civil penalty against the Defendant, all to be  
25 determined at trial;


26 6.2 All costs of investigation and litigation, and all attorney's fees incurred, as  
27 authorized by RCW 42.17A.765(4)(b);  
28

6.3 Temporary and permanent injunctive relief, as authorized by RCW 42.17A.750(1)(h); and

**6.4 Such other legal and equitable relief as this Court deems just and proper.**

**DATED this 31st day of October, 2017.**

SMITH & DIETRICH LAW OFFICES PLLC

  
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